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This French move may be influenced in part by the understanding with the United States on EDC ratification at the time
Washington allocated an additional 385 million dollars for
Indochina.

Meanwhile, the Council of Europe has had a special committee which preliminate mission investigate the situation and has produced a report envisaging the Saar as a European territory under a commissioner responsible to the Council of Europe. Under the proposal the French would give up their political connections with the Saar but retain protected economic interests under a fifty-year treaty replacing the present French-Saar conventions. Germany would regain some of its former cultural influence and eventually would gain economic equality with France in the region.

Both France and Germany have in the past accepted the principle of "Europeanizing" the Saar, but remain at odds over the details of the settlement. The French have even at times been disposed to concede some modifications in the

Approved For Release 2000/08/29: CIA-RDP79R00890A000100080008-0 favored economic position granted them under the French-Saar economic conventions. The central point in dispute has been whether these modifications shall take place at one time, as the Germans desire, or evolve gradually with the progress of European integration. Disagreements also exist as to the time when political freedom can be extended to all parties in the Saar, including those favorable to Germany.

The recommendations now under discussion in the Council of Europe have been accepted, with some reservations by the French Under Secretary for Foreign Affairs as a basis for

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Factual Data on the Saar

Population: 950,000 Area: 990.9 sq. miles.

Political: No head of state. Minister-President (5 yr. term)

(Johannes Hoffman since 1935)

Legislature - Landbag. Cabinet - appointed and dismissed (5 yr. term)

by Minister-President with approval of Landtag.

Election: last 1952, next 1957

Govt: coalition of two principal parties,

Christian Peoples Party with 29 seats out of 50

in the legislature, and the Socialist Party,

The Communist party has four seats.

Political statute: Saar consitiution adopted by

Saar Assembly 1947. Preamble outlines Saar's

provisional political relationship with France.

Conventions (French-Saar) March 1950

Revised 20 May 1953)

International status in integration movement:

territorially a part of the European Coal-Steel

Community but not EDC. Proposed as part of the

European Political Community.

The French-Saar Conventions

On 20 May 1953 the March 1950 conventions between France and the Saar were bilaterally revised, chiefly for the purpose of providing greater internal autonomy for the Saar.

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Under the revised conventions France assumes the defense of the Saar within the framework of the Atlantic Alliance. The accords provide that treaties negotiated for the Saar by France must be approved by the Saar Parliament and authorize the Saar to send diplomatic representatives abroad. The revised conventions confirm the Saar's customs and monetary union with France provided for under the earlier conventions, and also provide for joint management instead of French control of the Saar coal mines under lease to the French and the establishment of a court of arbitration.

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NSC Draft Briefing on the Saar Question Outline

- 1. Indicated resumption of the Saar talks the first positive EDC development since the 6 September German elections.
- 2. Both French and Germans appear more willing to make concessions on the critical French-Saar economic conventions which snagged negotiations in late may.
- 3. Concurrent Council of Europe discussion of "Europeanizing" the Saar may, however, postpone a French-German accord, though both nations are in agreement on the principle of "Europeanization."